

Exhibit 103

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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
MASTER DOCKET 18-MD-2865 (LAK)
CASE NO. 18-CV-09797

IN RE:)
)
)

CUSTOMS AND TAX ADMINISTRATION OF)
THE KINGDOM OF DENMARK)
(SKATTEFORVALTNINGEN) TAX REFUND)
SCHEME LITIGATION)
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REMOTE VTC VIDEOTAPED DEPOSITION UNDER ORAL
EXAMINATION OF
JENS BROCHNER
DATE: April 29, 2021

REPORTED BY: MICHAEL FRIEDMAN, CCR

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7 (Pages 22 to 25)

<p style="text-align: right;">Page 22</p> <p>1 Q And the Minister of Finance and the</p> <p>2 Minister of Taxation are different people at</p> <p>3 any given point in time.</p> <p>4 Is that correct?</p> <p>5 A Yes, that's correct.</p> <p>6 Q And so, the Ministry of Finance and</p> <p>7 the Ministry of Taxation are distinct and</p> <p>8 separate from each other.</p> <p>9 Correct?</p> <p>10 MR. OXFORD: Object to the form.</p> <p>11 A Yes, it's correct. But it's part</p> <p>12 of the overall of all the ministries in</p> <p>13 Denmark.</p> <p>14 Q So each Ministry in Denmark is part</p> <p>15 of the government of the Kingdom of Denmark.</p> <p>16 Correct?</p> <p>17 A Yes, that's correct.</p> <p>18 Q And each Ministry is distinct and</p> <p>19 separate from each other, and distinct and</p> <p>20 separate from the Kingdom of Denmark.</p> <p>21 Correct?</p> <p>22 MR. OXFORD: Object to the form.</p> <p>23 A That's not correct. That is -- you</p> <p>24 cannot interpret it in that way.</p> <p>25 Q Why is that not correct?</p>	<p style="text-align: right;">Page 24</p> <p>1 provides that revenue to the Ministry of</p> <p>2 Finance.</p> <p>3 Correct?</p> <p>4 A So according to Danish constitution</p> <p>5 or under the Danish constitution, the</p> <p>6 government has to present a finance bill once</p> <p>7 a year. And the finance bill includes all</p> <p>8 the taxes, direct and indirect taxes, that</p> <p>9 the SKAT is responsible for collecting.</p> <p>10 And in the finance bill is all the</p> <p>11 expenditure that the Danish government wants</p> <p>12 to pay for. And formally, it's the Finance</p> <p>13 Minister who presents the finance bill.</p> <p>14 The taxes and revenues are</p> <p>15 collected by the Ministry of Taxation, and</p> <p>16 that's by law in Denmark.</p> <p>17 Q And the Ministry of Taxation then</p> <p>18 remits the tax revenue to the Ministry of</p> <p>19 Finance to deposit into the public accounts.</p> <p>20 Correct?</p> <p>21 MR. OXFORD: Objection.</p> <p>22 A The Ministry of Taxation collects</p> <p>23 the funds and deposits the funds in the -- in</p> <p>24 an account with the Danish Central Bank. So</p> <p>25 the Finance Ministry is authorized to spend</p>
<p style="text-align: right;">Page 23</p> <p>1 MR. OXFORD: Objection.</p> <p>2 A So we have government of Ministers</p> <p>3 in Denmark. And each of the Ministers is a</p> <p>4 part, or forms part, or is a member of the</p> <p>5 Danish government.</p> <p>6 And therefore, each Ministry is an</p> <p>7 integral part of the Kingdom of Denmark.</p> <p>8 Q The Ministry of Finance is</p> <p>9 responsible for funding the government of the</p> <p>10 Kingdom of Denmark.</p> <p>11 Correct?</p> <p>12 A That's not correct. So it's not</p> <p>13 correct.</p> <p>14 Revenues come from the Ministry of</p> <p>15 Taxation, and it appears from the annual</p> <p>16 finance bills.</p> <p>17 Q So SKAT's job is to collect tax</p> <p>18 revenue.</p> <p>19 Correct?</p> <p>20 MR. OXFORD: Object to form.</p> <p>21 A Yes, it's correct. And it's not --</p> <p>22 it's correct, and it's -- in order to fund</p> <p>23 the expenditure, the Danish government passes</p> <p>24 legislation, yeah.</p> <p>25 Q After SKAT collects tax revenue, it</p>	<p style="text-align: right;">Page 25</p> <p>1 the money according to the finance bill, the</p> <p>2 money collected, as I explained.</p> <p>3 Q Does the Ministry -- I apologize.</p> <p>4 Are you done?</p> <p>5 A I'm done.</p> <p>6 Q Okay. Does the Ministry of Finance</p> <p>7 have exclusive authority to spend the money</p> <p>8 in that -- in that account with the Danish</p> <p>9 Central Bank?</p> <p>10 A So the Ministry of Finance has only</p> <p>11 authority to spend money if it is under the</p> <p>12 Finance -- to spend money under the Finance</p> <p>13 Act that has been passed by the Danish</p> <p>14 Parliament or a separate -- separate law that</p> <p>15 has been passed by the Danish Parliament.</p> <p>16 THE VIDEOGRAPHER: Stand by. The</p> <p>17 time is 6:41 a.m. New York time and</p> <p>18 we're going off the record.</p> <p>19 (Whereupon a discussion was held</p> <p>20 off the record.)</p> <p>21 THE VIDEOGRAPHER: Stand by. The</p> <p>22 time is 6:43 a.m. New York time and</p> <p>23 we're back on record.</p> <p>24 Q Does the money in the account in</p> <p>25 the Danish Central Bank belong to SKAT?</p>

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8 (Pages 26 to 29)

<p style="text-align: right;">Page 26</p> <p>1 MR. OXFORD: Objection.</p> <p>2 A It belongs to the Kingdom of</p> <p>3 Denmark. It's important to me to say that</p> <p>4 you cannot pay any expenditure in Denmark</p> <p>5 unless it's passed by law, it's been enacted</p> <p>6 in Denmark, and that is through the finance</p> <p>7 bill.</p> <p>8 And in the finance bill is a</p> <p>9 specification of -- or appears the taxes,</p> <p>10 direct and indirect taxes, and the Minister</p> <p>11 of Taxation is responsible for collecting</p> <p>12 those taxes.</p> <p>13 Q Does SKAT have any discretion as to</p> <p>14 what to do with the money it collects?</p> <p>15 A No. Because, as I said before, the</p> <p>16 expenditure must appear from the finance</p> <p>17 bill.</p> <p>18 Q Is SKAT's budget set by the finance</p> <p>19 bill?</p> <p>20 A Yes, that's correct.</p> <p>21 Q Okay. The amount of tax revenues</p> <p>22 that SKAT collects each year varies, right,</p> <p>23 varies from year to year?</p> <p>24 A Yes, the revenues may vary from</p> <p>25 year to year, partly because of different</p>	<p style="text-align: right;">Page 28</p> <p>1 off the record.)</p> <p>2 THE VIDEOGRAPHER: Stand by. The</p> <p>3 time is 6:50 a.m. New York time and</p> <p>4 we're back on record.</p> <p>5 Q So the question was whether SKAT</p> <p>6 has an obligation to pay a specific amount to</p> <p>7 the Ministry of Finance in a particular year?</p> <p>8 MR. OXFORD: Objection to form.</p> <p>9 A I think the question is unclear.</p> <p>10 MR. OXFORD: Can you rephrase,</p> <p>11 Alan? Maybe that will -- were you done?</p> <p>12 MR. SCHOENFELD: Sure.</p> <p>13 Q Whatever SKAT collects gets handed</p> <p>14 over to the Ministry of Finance.</p> <p>15 Correct?</p> <p>16 A So it's collected and deposited in</p> <p>17 an account with the Central Bank. And as I</p> <p>18 said before, as I said, the authorization and</p> <p>19 all expenditure is stated or included in the</p> <p>20 finance bill.</p> <p>21 If there's one year where the</p> <p>22 revenue does not correspond to the expected</p> <p>23 revenue as in all -- like in all other</p> <p>24 countries, it is reflected in the balance and</p> <p>25 is reflected in the debts, national debt</p>
<p style="text-align: right;">Page 27</p> <p>1 cycles, economic cycles from year to year.</p> <p>2 But the rules have been laid down by law, and</p> <p>3 for an individual person with unchanged</p> <p>4 income will pay the same tax year after year.</p> <p>5 Q But SKAT doesn't have an obligation</p> <p>6 to pay specific amounts to the Ministry of</p> <p>7 Finance in a particular year.</p> <p>8 Correct?</p> <p>9 MR. OXFORD: Objection.</p> <p>10 A I think the question is unclear.</p> <p>11 The Ministry of Taxation has an obligation to</p> <p>12 collect taxes, direct and indirect taxes.</p> <p>13 Yeah.</p> <p>14 So the Ministry of Taxation has an</p> <p>15 obligation to collect taxes according to</p> <p>16 applicable rules. And these revenues appear</p> <p>17 from the finance bill.</p> <p>18 MR. OXFORD: Could I just</p> <p>19 interject? I think we have a little</p> <p>20 issue with the translation. Can we go</p> <p>21 off the record for a moment?</p> <p>22 THE VIDEOGRAPHER: Stand by. The</p> <p>23 time is 6:49 a.m. New York time and</p> <p>24 we're going off the record.</p> <p>25 (Whereupon a discussion was held</p>	<p style="text-align: right;">Page 29</p> <p>1 account. And in the finance bill is expected</p> <p>2 revenue and expected expenditure, and the</p> <p>3 difference is the public sector deficit or</p> <p>4 surplus.</p> <p>5 Q Does SKAT suffer any direct</p> <p>6 financial loss if there's a shortfall in tax</p> <p>7 collections?</p> <p>8 MR. OXFORD: Objection to the form.</p> <p>9 A So SKAT is an integral part of the</p> <p>10 Danish government, and therefore, there's a</p> <p>11 loss to the Danish population, the people of</p> <p>12 Denmark, if revenues are not as anticipated.</p> <p>13 Q Okay. All right. Let's go back to</p> <p>14 your arrival at SKAT in 2012.</p> <p>15 MR. OXFORD: Objection to the form.</p> <p>16 I think you mean the Ministry.</p> <p>17 Q So when you arrived at the Ministry</p> <p>18 of Taxation in 2012, what were your</p> <p>19 responsibilities?</p> <p>20 A I was hired as a permanent</p> <p>21 secretary.</p> <p>22 Q And so, as permanent secretary,</p> <p>23 what were your responsibilities?</p> <p>24 A I was the top administrative</p> <p>25 employee, public employee. I was the top</p>

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27 (Pages 102 to 105)

<p style="text-align: right;">Page 102</p> <p>1 you please repeat the question?</p> <p>2 Q Is it a man or a woman?</p> <p>3 A It must be a lady, a woman.</p> <p>4 Q In what context do you recall her</p> <p>5 name coming up?</p> <p>6 A As one of the employees, head of</p> <p>7 departments, or entities that were included</p> <p>8 in this case.</p> <p>9 Q Mr. Brochner, can you -- could you</p> <p>10 please turn to Tab 3004 in your binder -- I</p> <p>11 apologize, no. Tab 3005.</p> <p>12 MR. SCHOENFELD: Mark this as 3005.</p> <p>13 (Whereupon the above mentioned was</p> <p>14 marked for Identification.)</p> <p>15 A So it's a memo of the system, the</p> <p>16 8th of August, '14.</p> <p>17 Is that correct?</p> <p>18 Q Correct.</p> <p>19 A So we have it.</p> <p>20 Q Mr. Brochner, does this form of</p> <p>21 memorandum look familiar to you?</p> <p>22 A No, it isn't. But I can see that</p> <p>23 on the page, what it concerns.</p> <p>24 Q Okay. In the upper right-hand</p> <p>25 corner, as I understand it, it says,</p>	<p style="text-align: right;">Page 104</p> <p>1 think you exactly understand the structure of</p> <p>2 SKAT at the time.</p> <p>3 The Recovery area has separate</p> <p>4 directors, as -- yeah. So Recovery is a</p> <p>5 separate director area. It has a separate</p> <p>6 director and so does Payment and Accounts.</p> <p>7 THE INTERPRETER: Is that correct?</p> <p>8 Yeah.</p> <p>9 Q To the best of your knowledge, who</p> <p>10 would have reviewed this report after its</p> <p>11 production?</p> <p>12 MR. OXFORD: Object to the form.</p> <p>13 A That would have been the director</p> <p>14 of Payment and Accounts.</p> <p>15 Q And it's -- do you understand the</p> <p>16 reference to "SAP 38" in the first sentence?</p> <p>17 A It's an abbreviation of the system</p> <p>18 that's used to prepare SKAT's accounts.</p> <p>19 Q Okay. So lower down on the page --</p> <p>20 A The headline --</p> <p>21 THE INTERPRETER: He's adding</p> <p>22 something.</p> <p>23 A And the headline is also approval</p> <p>24 of accounts. It's the headline of the letter</p> <p>25 of the report.</p>
<p style="text-align: right;">Page 103</p> <p>1 "Recovery, Payment, and Accounting."</p> <p>2 Is that right?</p> <p>3 A Yes, that's correct.</p> <p>4 Q What is "Recovery?"</p> <p>5 A So it's the area in SKAT that</p> <p>6 belongs to the department, Payment</p> <p>7 and -- Payment and Accounts. And the top of</p> <p>8 the -- of that area is a member of the</p> <p>9 executive board of SKAT.</p> <p>10 Q What is the function of the</p> <p>11 Recovery area?</p> <p>12 A It's an area of SKAT that is to</p> <p>13 collect tax debt that has not offhand been</p> <p>14 paid.</p> <p>15 Q Can you explain that?</p> <p>16 A It's -- yeah. So it's -- they are</p> <p>17 to recover unpaid taxes, so payment and taxes</p> <p>18 at deputy director area, underneath, ranking</p> <p>19 below Recovery, the Recovery department.</p> <p>20 Q You said that Recovery is meant to</p> <p>21 assist with the collection of tax debt that</p> <p>22 has not offhand been paid.</p> <p>23 Is that correct?</p> <p>24 MR. OXFORD: Objection to form.</p> <p>25 A Yes, that's correct. But I don't</p>	<p style="text-align: right;">Page 105</p> <p>1 Q That's the title of the report for</p> <p>2 the period ending July 2014?</p> <p>3 A Yeah, that's correct.</p> <p>4 Q So is this report seeking approval</p> <p>5 of something or is it approving something?</p> <p>6 MR. OXFORD: Object to form.</p> <p>7 A So it approves the accounts for</p> <p>8 July 2014. And it says that the accounts are</p> <p>9 correct.</p> <p>10 Q Which particular accounts?</p> <p>11 A So it's for dividends.</p> <p>12 Q The report notes that as of</p> <p>13 July 31, 2014, 4.8 billion kroner has been</p> <p>14 paid out in reimbursement to foreign</p> <p>15 shareholders.</p> <p>16 Is that right?</p> <p>17 A Yes, that's correct.</p> <p>18 Q And it then says that for the</p> <p>19 entire year of 2013, 2.8 billion kroner was</p> <p>20 paid out?</p> <p>21 A Yes, that's correct.</p> <p>22 Q It then says that one reason for</p> <p>23 this increase may be that several U.S.</p> <p>24 pension funds are purchases in Danish</p> <p>25 companies.</p>

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<p style="text-align: right;">Page 110</p> <p>1 certain that twice there was an investigation 2 of the increase in dividend refunds in 2014. 3 And that's probably the background for how 4 it's stated in this memo and the two last 5 paragraphs on the first page. 6 Q So it was -- I apologize. Go 7 ahead. 8 A You'd have to make an investigation 9 to make a conclusion that's stated in the 10 memo in these two paragraphs. 11 Q So you said that you were aware 12 that there was two investigations of the 13 increase in 2014. And one of them you say 14 predated this memo. 15 Correct? 16 A I'd like to make it clear that with 17 the knowledge I've got after August '15, 18 there were presumably two investigations 19 being -- that were made to find out why there 20 was such an increase in dividend refunds or 21 dividend tax refunds. 22 Q Are there documents reflecting 23 these two investigations from 2014 about the 24 increase in dividend withholding tax refunds? 25 A I don't recall what written</p>	<p style="text-align: right;">Page 112</p> <p>1 A Well, that's correct. 2 Q And do you recall specifically 3 where the tip came from? 4 A No, I don't remember that. But it 5 was our nation's feeling that other states 6 were assisting Denmark. 7 Q Do you recall the date when you 8 learned about the tip that SKAT had received? 9 A As I said before, the director of 10 SKAT called me on Wednesday or Thursday 11 evening. I think it was -- it was around the 12 20th of August. 13 And he said that on the basis of 14 this tip, they had stopped disbursement of 15 refunds of dividend withholding tax. 16 Q So you first learned about this 17 after SKAT had stopped paying refunds. 18 Is that correct? 19 A Yes, that's correct. 20 Q Do you know how long it was between 21 when SKAT first learned about the potential 22 fraud from a tipster and when it shut down 23 the refund process? 24 A So, again, best of my recollection, 25 the tip was received in early July, and they</p>
<p style="text-align: right;">Page 111</p> <p>1 material is available on that. But this memo 2 covers an approval of accounts on, of, or for 3 July 2014. 4 And the two last paragraphs on the 5 first page make a conclusion on an 6 investigation of why there was an increase. 7 Q Sitting here today, are you aware 8 of any steps that were taken in response to 9 these two investigations concerning the 10 increase in refunds being paid to U.S. 11 pension plans? 12 A I think I have answered this 13 already. But in order to assess this based 14 on -- on this conclusion, to make an 15 investigation, you have to -- they have 16 looked into the formal third-party 17 documentation received from the custodian 18 banks in order to confirm that it was U.S. 19 pension funds, pension plans. 20 Q Okay. You referenced earlier a tip 21 that SKAT received in June of 2015 regarding 22 a potential fraud. 23 Correct? 24 MR. OXFORD: Objection. Misstates 25 the witness' testimony.</p>	<p style="text-align: right;">Page 113</p> <p>1 stopped disbursement in August -- in early 2 August. 3 Q So it was a pretty quick turnaround 4 between the tip and shutting down the 5 process. 6 Is that right? 7 A I think at least some people in 8 Denmark thought that it was too long a time. 9 Q Do you know what the process was 10 between the tip and SKAT shutting down the 11 refund process. 12 Do you know what happened in those 13 few weeks? 14 A So, no. The tip was -- was very 15 specific, so there was a possibility of 16 investigating it. But even after the stop, 17 there was very close collaboration and work 18 with the police, and it was not very easy for 19 SKAT or for SOIK, which is the Special 20 Economic Department of Danish Police, to find 21 out what happened in this matter. 22 Q Had SKAT reached a conclusion about 23 what had happened in this matter at the time 24 it decided to shut down the process? 25 A No.</p>